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## Office Memorandum • UNITED STATES GOVERNMENT

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TO : CA - Mr. Edwin W. Martin

FROM : CA - J. A. Calhoun

SUBJECT: Some Thoughts on How to Proceed with the Taiwan Question.

306.11a  
DATE: May 16, 1955  
DEPARTMENT OF STATE A/CDC/MR

FOR EXT. DATE

TS AUTH.

REASON(S)

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It seems to me that our two principal tactical objectives in dealing with Chou En-lai's "offer" for negotiations on Taiwan are (1) to maintain and increase the pressure of opinion on the Communists not to employ force and (2) to increase free world support for our position regarding Taiwan and Penghu, looking to some form of international guarantee for their continued independence from Communist China.

The next move by the Communists may be the release of the imprisoned American flyers. Regardless of the merits of this question we should recognize that the effect of a Communist move in this direction will be to put the ball back in our court. While we should, of course, point out the factual situation and should perhaps press more vigorously and publicly for the release of the remaining American civilians, we should be prepared for the psychological impact of such a move by the Communists.

In exploring the possibilities for finding some modus vivendi with the Communists on the Taiwan question we should move as slowly and as cautiously as the situation and world opinion permit. For some time, perhaps a couple of months, we stand to benefit by the atmosphere created at Bandung which appears to be restraining the Communists from aggressive action. At the same time, we should guard against too negative a public attitude on our part which might build up the impression in friendly countries that we are not sincerely exploring the possibilities for a cease-fire. Reports from Trevelyan, Krishna Menon and Ali of Indonesia may in the meantime clarify the situation somewhat. As a result of the activities of the latter two gentlemen, however, we may find ourselves faced with greater pressure to make a conciliatory move, particularly if the Communists release the flyers. In these circumstances I think it might be profitable to reexamine the question of giving Ali more information about our views, at least to the extent of pointing up more clearly what we can not accept and why. It may also be useful to emphasize informally to the British, Indians, Indonesians and Pakistanis that Peiping propaganda for the "liberation" of Taiwan has continued unabated and has in fact increased in tempo of late.

The imminence of Big Four talks is a new element in the situation which should be carefully weighed. The President's recent press statements

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indicate that he is prepared to have Far Eastern questions taken up in any exchange of views. These talks may be helpful or harmful to our objectives regarding Taiwan, depending partly on developments in and around Peiping and partly on our success in the interim in developing greater support among our allies for our position with respect to Taiwan.

A failure on our part to show willingness to explore cease-fire possibilities actively could lead to growing disaffection on the part of our friends as well as neutralist governments, which might seriously impair our tactical position in Big Four talks. It would present the Soviets with an excellent opportunity to divide the three Western Allies and at the same time might enhance Peiping's international prestige and increase support for her claim to Taiwan. The effect of this could be to direct sentiment abroad towards a Taiwan solution which might prejudice our strategic concept of maintaining the island as an anti-communist bastion. At the moment most of the non-Communist nations seem to recognize this strategic factor and we should capitalize on this fact before it becomes diluted by doubts as to our intentions.

Our specific objectives in this period of sounding-out Peiping, and subsequently, should be:

(1) To obtain some form of Communist-Nationalist acceptance, probably tacit and non-public in nature, of a temporary cease-fire in the straits. Ambassador Rankin's recent conversation with Foreign Minister Yeh on cease-fire possibilities and the port closure situation may be a useful guide in bringing the GRC along on some minimum arrangement with the Communists in the unlikely event that the latter appears feasible.

(2) To seek the broadest possible international support before the Big Four talks for maintenance of the status quo regarding Taiwan, or, as a minimum, a guarantee of its continued independence from the Communists. A declaration along the lines of the one made by the 16 regarding Korea might serve as a guide in this connection, possibly with the SEATO powers as guarantors.

(3) To use such flexibility as we possess on the off-shore islands question to mobilize this support, while recognizing that the GRC attitude can not be changed overnight and this fact must be appreciated by our principal allies. Failure to exert our influence with the Nationalists on the off-shore islands situation at the proper time might ultimately deprive us of this means for developing broader support for our general position on Taiwan. We should recognize that withdrawal from the off-shores in itself would provide little incentive for the Communists to accept a cease-fire but that it would be helpful and possibly crucial in bringing our friends along with us.

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(4) The possible usefulness of the UN as a vehicle for advancing our objectives regarding Taiwan should be constantly reexamined.

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